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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Bulgaria	REPORT	
SUBJECT	Summary of Economic and Commercial Situation of Bulgaria	DATE DISTR.	10 November 1953
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

1. The discriminatory policy in the field of foreign trade followed for several years by Western Europe, and which the United States originated, has impeded the integral execution of commercial accords concluded since 1946 between Bulgaria and other countries. The consequences of this discriminatory policy were soon manifested by the rapid diminution of exchange. Before the application of this discriminatory policy, the import of goods into Bulgaria from Western European countries was tending to increase. In 1947, the value of imports provided by these countries represented 15 percent of the total value of Bulgarian imports; in 1948, the percentage had risen to 21 percent. Bulgarian exports to these countries rose from 19 percent in 1947 to 23 percent in 1948. In 1949 a decline was registered, and in 1951 was as follows: 7.08 percent of the imports and 6.90 percent of the exports. After 1949, Bulgarian trade was therefore directed especially toward the Soviet Union (continuing the economic policy followed after the subjection of Bulgaria to the USSR), China, Poland, Czechoslovakia, Rumania, Hungary, the German Democratic Republic, and Albania. These countries furnished Bulgaria with goods indispensable to industry: machines, machinery and spare parts, metals and semi-processed metallurgical products, raw textile goods, rubber, rubber articles, chemical products, and medicines. Bulgaria gave these countries agricultural products, and products of its industry and its artisans. The exchange of Bulgarian products with these countries is continually increasing and is ever more varied in types of articles -- in 1951, 92.92 percent for imports and 93.11 percent for exports. The first place in this exchange is held by the Soviet Union with 63.83 percent for imports and 52.60 percent for exports. Czechoslovakia, Poland, and Hungary follow. The machine parts and machinery in these figures represent more than 45 percent, reaching 73 percent in the import of metals. Important changes are evident in Bulgarian exports: the assortment of goods is more varied, industrial products are being increased, and both raw and processed agricultural products are being increased. Tobacco is still the Bulgarian product most in demand. Bulgarian economists do not hide the fact that during the 1953-1955 period, their country may import annually from the capitalist countries various goods with a value of about 200,000,000 rubles, especially machinery for

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the chemical industry, machinery for metal processing, machinery for the electrical industry, ferrous metals, chemical products, transport vehicles, raw textile materials, natural and synthetic rubber, etc. On its side, Bulgaria may export annually to the Western countries approximately 150,000 tons of grain, 70,000-80,000 tons of fruits and vegetables, 15,000 tons of tobacco, 170,000,000 eggs, etc.

2. The production of the manufacturing industry in 1952 exceeded that of 1951 by 15 percent for cotton, 13 percent for woolen products, 22 percent for vegetable oils, and 25 percent for radios. The production of electrical energy during 1952 exceeded that of 1951 by 34 percent; the production of coal showed an increase of 16 percent; the production of minerals exceeded that of 1951 by 40 percent; and the production of internal combustion motors was 47 percent greater than in 1951.

3. Capital investments were increased by 10 percent in 1952. Investments for dam construction were increased by 35.7 percent, and investments for home construction were increased by 20 percent. A very strong increase was registered also in the construction of agricultural machinery.

4. Regarding consumer goods, the Bulgarian official statistics show that the population in 1952 received 22.20 percent more supplies than in 1951, including 76.40 percent more rice, 23.20 percent more cheese, 53.7 percent more woolen textiles, and 68 percent more cotton goods. These data are probably accurate on paper and conform to official calculations, but refugees in no way confirm these claims of abundancy. In the field of culture and public health is noted an increase of 40.4 percent in the number of nurseries; the institutes of higher learning and universities had 6,779 graduates.

5. The fundamental problems that the economic plan for 1953 proposes to resolve regard the development of heavy industry, the increase in the production of goods for current use, better yields in agriculture and particularly in industry, and a general improvement in the standard of living. According to the forecasts of the plan, industrial production should be increased by 16 percent in comparison with 1952. The major increase is expected to be in heavy industry; the production of the machine industry is to be increased by 21.6 percent, that of electrical energy 21 percent, and that of the mineral and chemical industry 58.6 percent. The increase in production of the textile industry is set at 14.9 percent, that of the food industry at nine percent, and that of the hides and leather industry at 15.1 percent.

6. The principal factor for this general increase of industrial production in 1953 is the large capital investments made by the creation of new industrial enterprises, the introduction of new techniques in the fields of machine building, metallurgy, and other branches of industry. The introduction of new methods (imitating those applied in the Soviet Union) makes it possible to foresee in 1953 an increase in work productivity which will amount to, for example, 10.2 percent in industry and six percent in construction.

7. Because of the mechanization of agriculture, the Bulgarian statisticians foresee an increase of 40.4 percent in agricultural production in 1953. The plan for 1953 also foresees an increase in agricultural yield, as follows: 30.2 percent for grains, 182.4 percent for cotton, and 35.6 percent for sunflowers. According to a decree of the Council of Ministers (confirmed by the Central Committee of

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the Communist Party) of 18 February 1952, cotton is to become the principal industrial crop in Bulgaria both in regard to acreage and volume of production, at least for the years 1953 to 1957.

8. The increase in national income is foreseen for 1953 as 35.3 percent. According to official plans, 77.8 percent of the national income will come from the State and the cooperatives. Three-fourths will be destined for the consumer and the remaining one-fourth is to be used for reserves and construction purposes. As to the consumer, the plan foresees that the quantity of goods will be superior to that of 1952 for distribution to the people, as follows: 20 percent more meat, 25.2 percent more cheese, 34.5 percent more cotton, 32.1 percent more wool, etc.

9. At present, scientific activity in the field of Bulgarian agriculture is being carried out at 48 institutes and experimental stations. The methods applied are those of the Soviets Michurin and Lysenko. Among these institutes and stations the following should be mentioned: the experimental station at Sadovo (near Plovdiv, which existed under the old regime), the agrotechnical institute of Knezha (in northern Bulgaria), the experimental station of Ruse (also in existence under the old regime), the experimental station of Karnobat (now Polyanovgrad, in eastern Bulgaria, also in existence under the old regime), the central agricultural research institute of Sofia, the Vulko Chervenkov Institute in the Dobrudzha, the scientific institute for cotton at Chirpan, the hydroelectric station of Pazardzhik, which all work under the scientific and methodologic direction of the Bulgarian Academy of Science. A special institute for land study, the N. Puchkarov Institute, is directed by the Soviet specialists, Professors I. N. Antipov-Karagaev and I. Gerasimov. These institutes are concerned primarily with the selection of seeds and pollination; in 1951, 150,000 hectares were pollinized.

10. There are approximately 9,500 breeding stations (cattle, sheep, pigs, horses, and poultry) and approximately 6,000 up-to-date (blank in original) where are applied the methods of (blank in original), principally for sheep and cattle (21 special centers), and the artificial insemination of approximately 2,000,000 female animals of which more than 1,600,000 are sheep. Since 1950, 1,400 cows have been inseminated artificially. It was found that this method is 100 percent effective, while the natural method achieves only 65 to 70 percent results. Moreover, this process permits more efficacious combatting of maladies such as the sterility of cows, trichomoniasis, brucellosis, catarrhal infection of mares, etc. In Sofia, there is an institute for artificial insemination (whose activities extend to the struggle against sterility, to the physiology and biology of fertilization, to the struggle against diseases of young animals) with 12 subordinate units in the provinces, where the methods of Pavlov and Michurin are applied, especially regarding the vegetative and sexual hybridization of cattle.

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